

GWALIA (U.S.A.) LTD.



1801 Broadway, Suite 1620
Denver, Colorado 80202
U.S.A.
Telephone (303) 296-3200
Facsimile (303) 296-9130

11 December 1991

Thomas C. Ewart, V.P.
The South Carolina National Bank
P.O. Box 528
Edgefield, South Carolina 29824

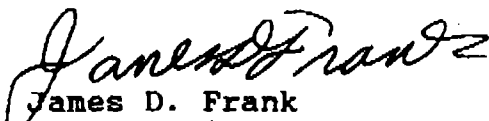
John Rainsford, III
Rainsford & Sons
P.O. Box 486
Edgefield, South Carolina 29824

Re: Mineral Lease and Option Agreement dated December 14,
1974 and Amended between John Rainsford and Conoco

Dear Mr. Ewart and Mr. Rainsford:

As per the above mentioned agreement, Gwalia (U.S.A.) Ltd. (GUSA) is required to make an advance royalty payment of \$25,000 on December 14, 1991. As per a letter signed by John Rainsford, III, we have made the payment to the South Carolina National Bank. The attached check is drawn on Nevada Goldfields Inc. bank account which now owns GUSA.

Sincerely,


James D. Frank
Vice President - Finance

attachment

JDF/pm

